



# Disposal of Assets of Non-Proprietary Licenced Clubs Policy

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## Disposal of Assets of Non-Proprietary Licensed Clubs Policy

### COMMENCEMENT DATE

This policy comes into effect on 30 March 2006.

### PURPOSE

The *Racing Act 2002* authorises Greyhounds Queensland Limited (GQL) to make policies for the sound management of the greyhound racing industry. Section 81 (u) of the Act requires GQL to make a policy for the disposal of assets of non-proprietary clubs.

Licensed greyhound racing clubs organise and conduct greyhound racing meetings in Queensland. They are responsible for the development and maintenance of assets crucial to the greyhound racing industry. They generate revenue and profits and hold assets on behalf of and the industry. They operate in an increasingly competitive environment. The welfare of individual clubs and the industry as a whole depends on clubs instituting sound financial management practices.

Clubs range from multi-million dollar businesses with substantial administrations to those of a considerably lesser level with a comparable administration, of which many act voluntarily. The corporate governance structures will therefore differ substantially from club to club but the fundamental principles of business management and control remain the same. A club must ensure that its disposal of assets is for legitimate purposes, that it receives value for money and that it has appropriate documentation to support any disposal of its assets.

The purpose of the policy is to help GQL and greyhound racing clubs manage the industry's assets, and to ensure clubs understand their financial roles and responsibilities and have the necessary tools and support to manage their assets and finances soundly.

### POLICY STATEMENT

*GQL requires a club to manage its assets effectively and accountably for the benefit of the club and the greyhound racing industry.*



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A club must manage assets in accordance with relevant legislation including the *Racing Act 2002*, *Associations Incorporations Act 1981*, and the *Commonwealth Corporations Law*.

A club must also manage and make disclosures about its assets in accordance with rules and procedures set down and administered by GQL, including GQL rules of greyhound racing, licence conditions and the Financial Management Procedures Manual For Queensland Greyhound Racing Clubs issued by GQL.

A club must take particular note of the following requirements contained in the *Racing Act 2002* and the Financial Management Procedures Manual For Queensland Greyhound Racing Clubs:

A club:

- shall not dispose of any assets that are revenues and profits unless the disposal is for the purposes of activities directly associated with the encouragement of greyhound racing, or for a charitable purpose with the written approval of GQL, or for the payment to a member as specified under section 112 of the *Racing Act 2002*
- shall not dispose of property that is used as a licensed venue or a place for exercising or training greyhounds without first obtaining the written approval of GQL and the Minister and the approval of a majority of the club's members present at a meeting where the matter was considered
- shall not dispose of assets, other than revenues and profits or property as mentioned above, unless the club has the written approval of GQL and the asset is being disposed of under a GQL policy
- shall establish appropriate internal control systems to minimise the risk of misappropriation of assets
- shall ensure internal control systems include clearly documented authorities for the disposal of assets by club officers, and
- shall ensure all disposal of assets must be supported by appropriate documentation that must be maintained in accordance with the section on "Safeguarding and Retention of Accounting Records" in the Financial Management Procedures Manual for Queensland Greyhound Racing Clubs.

*In addition to the requirements of the Act and the Financial Management Procedures Manual for Queensland Greyhound Racing Clubs, a club must obtain prior written approval from GQL before disposing of assets of a value in excess of \$25,000.*



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Activities not directly related to the conduct or encouragement of greyhound racing include, for example, investing in property or shares, the establishment of gaming facilities and sponsoring non-racing-related events.

GQL will monitor asset management performance of clubs

Should GQL find a club is not complying with the Financial Management Procedures Manual For Queensland Greyhound Racing Clubs, relevant legislation or this policy, GQL will direct the club to take action to rectify the situation.

Should a club refuse to comply with such a direction, GQL will take appropriate action under the *Racing Act 2002*, which could include suspending or cancelling the club's licence.

## APPLICATION

This policy applies to all licensed non-proprietary clubs, including the clubs' management committees and officers.

## DEFINITIONS

This policy adopts the terminology used in the *Racing Act 2002*. Schedule 3 of the *Racing Act 2002* contains a dictionary of words used in the *Racing Act 2002* and may be accessed via the internet at [www.legislation.qld.gov.au](http://www.legislation.qld.gov.au), under the tab "R".

**Disposal of assets** – includes distribute, forfeit, relinquish possession of, sell or otherwise give up the asset.

**Charitable purpose** – refers to a club donating money to a benevolent cause not associated with the operations of the club.

**Encouragement of greyhound racing** – refers to the application of monies by a club to the core business and business objectives of the club – the conduct of greyhound racing.

**Financial Management Procedures Manual For Queensland Greyhound Racing Clubs** – refers to the publication prepared and distributed by GQL that provides comprehensive guidelines and standards for a club for its financial and business operations.



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**Internal control systems** – refers to the practices and processes established by a club to ensure high standards of corporate governance and financial accountability are in place, and to minimise the risk to a clubs of fraudulent activity or theft.

**Non-proprietary club** – means a not-for-profit greyhound racing club. A non-proprietary club has a constitution that:

- provides for the application of all of the club's profits and other income to the promotion of the club's objects; and
- prohibits the payment of dividends to the members of the club.

## PROCEDURES

GQL Financial Management Procedures Manual For Queensland Greyhound Racing Clubs details the way a club shall manage its finances and assets.

### **Roles and responsibilities**

#### **Club committee**

The committee of a club shall:

- ensure any disposal of assets is for legitimate purposes, represents value for money and is supported by appropriate documentation;
- provide accurate, complete and timely information on club assets/finances to GQL, its auditors and to its members, and ensure policies are established in respect of the operations of the club that are consistent with the principles and guidelines outlined in the Financial Management Procedures Manual for Queensland Greyhound Racing Clubs;
- comply with a direction from GQL.

#### **Club treasurer**

*The treasurer of a club shall:*



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- shall provide the club committee with accurate, complete and timely information on club assets/finances to help the committee make decisions;
- oversee the internal accounting and stock controls and procedures of the club and ensure standards in that regard are being met and that the risk of misappropriation or fraudulent use of club assets/monies is minimised;

### **Club officials**

#### *Club officials shall:*

- ensure club disposal of assets is for legitimate purposes, represents value for money and is supported by appropriate documentation;
- shall provide the club committee with accurate, complete and timely information on club finances to help the committee make decisions;
- oversee the internal accounting and stock controls and procedures of the club and ensure standards in that regard are being met and that the risk of misappropriation or fraudulent use of club monies is minimised;
- at all times operate in accordance with the financial policies and procedures established by the committee.

### ***GQL***

#### *GQL shall:*

- provide support and guidance to a club, monitor the club's asset management and financial performance and if necessary intervene to ensure the club manages its assets appropriately;
- assess any proposed disposal of an asset by a club not directly related to the conduct or encouragement of greyhound racing;
  - comply with a direction from the Minister for Racing.



#### Disposal of Assets of Non-Proprietary Licensed Clubs Policy

##### **Review**

This policy will be reviewed after two year's operation from its commencement.

This policy was reviewed by GQL Board on 26 November 2008, with the policy to be further reviewed within two (2) years of this date or earlier as determined by GQL Board.

##### ***Rules of racing***

GQL rules of greyhound racing provide for the application of this policy.

##### ***Authority and other information***

This policy was issued by GQL on 30 March 2006 pursuant to the powers vested in GQL by the *Racing Act 2002*.